

Message Text

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ACTION EB-07

INFO OCT-01 AF-08 ARA-06 EUR-12 IO-13 ISO-00 AID-05
CIAE-00 COME-00 EB-07 FRB-03 INR-07 NSAE-00 USIA-06
TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01
OMB-01 NSC-05 SS-15 STR-04 CEA-01 H-01 /108 W
-----172319Z 071113 /72-61

P R 172021Z JAN 77

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC PRIORITY 9373

INFO AMEMBASSY ABIDJAN

AMEMBASSY BRASILIA

AMEMBASSY GUATEMALA

AMEMBASSY LONDON

AMEMBASSY MEXICO CITY

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USMISSION GENEVA

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

USDA/FAS WASHDC

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E.O. 11652: N/A

TAGS: EPAP, ETRD, EAGR, CO

SUBJECT: COLOMBIAN VIEWS ON COFFEE SITUATION

REF: BOGOTA 0364

1. AGATT AND EC/COM COUNSELOR CALLED ON ARTURO GOMEZ JARAMILLA,
MANAGER COLOMBIAN COFFEE FEDERATION, FEBRUARY 14 TO DISCUSS
COLOMBIAN REACTION TO US COFFEE BOYCOTT AND GOC EFFORTS TO
STABILIZE COFFEE PRICES.

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2. GOMEZ WAS CONCERNED ABOUT THE BOYCOTT AND THE EFFECT IT
WILL HAVE ON FUTURE COFFEE CONSUMPTION. HE FELT THAT ONCE
A CONSUMER CUTS DOWN ON PURCHASES IT IS DIFFICULT TO BRING
BACK CONSUMPTION TO FORMER LEVELS. GOMEZ SAID THE GOC
HAD TRIED FOR PAST YEAR TO HOLD DOWN COFFEE PRICES, BUT
WAS UNSUCCESSFUL SINCE PRICES ARE DETERMINED ON THE NEW

YORK WHOLESALE EXCHANGE. HE SAID THAT COLOMBIA HAD ENCOURAGED THE TOASTERS TO BUY SUBSTANTIAL AMOUNTS OF COFFEE LAST FALL WHEN PRICES WERE LOWER, BUT THEY HAD REFUSED IN THE EXPECTATION THAT PRICES WOULD FALL EVEN MORE. THE RESULT, ACCORDING TO GOMEZ, IS THAT STOCKS IN THE US ARE VERY LOW, THUS FACILITATING PRICE SPECULATION BY MIDDLEMEN.

3. COLOMBIA IS LOOKING FORWARD TO A MEETING IN LONDON THIS MONTH OF PERMANENT REPRESENTATIVES TO THE ICO AS A PRELUDE TO A SPECIAL MEETING SOMETIME IN FEBRUARY AT WHICH AN EFFORT WOULD BE MADE TO STABILIZE PRICES IF AGREEMENT CAN BE REACHED BETWEEN PRODUCERS AND CONSUMERS. IN ADDITION TO BRAZIL, COLOMBIA HAS BEEN IN TOUCH WITH MEXICO, CENTRAL AMERICA AND THE KEY AFRICAN PRODUCERS SEEKING OPINIONS ON THE POSSIBILITY OF A PRICE STABILIZATION PACKAGE.

4. CONCERNING THE CURRENT DROUGHT THAT COLOMBIA IS EXPERIENCING, GOMEZ OPINED THAT IT COULD HAVE SERIOUS REPERCUSSIONS ON COFFEE FLOWERING AND THUS PRODUCTION FOR THE 1977-78 COFFEE YEAR UNLESS RAINS OCCUR IN COFFEE PRODUCING REGIONS WITHIN NEXT WEEK. HOWEVER, HE COULD NOT GIVE A PERCENTAGE FIGURE OF THE EFFECT OF THE DROUGHT ON PRODUCTION. OUR ESTIMATES FOR THE 1976-77 COLOMBIAN COFFEE SUPPLY POSITION, AS REPORTED IN CO 6057 OF 11/15/76, ARE AS FOLLOWS (IN MILLIONS OF 60 KG. BAGS):

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BEGINNING STOCKS 1.0
PRODUCTION 9.0
TOTAL SUPPLY 11.9
EXPORTS 8.0
CONSUMPTION 1.4
TOTAL DISTRIBUTION 9.7
ENDING STOCKS 2.2

THERE IS A POSSIBILITY OF 1976-77 PRODUCTION BEING REDUCED TO 8.5 MILLION BAGS DUE TO LAST SUMMER'S DRY SPELL.

5. EMBOFFS FOUND GOMEZ VERY RECEPTIVE AND IN AN EXPANSIVE MOOD. HE PROMISED TO KEEP KEY US GOVERNMENT OFFICIALS INFORMED OF PROGRESS IN PREPARATIONS FOR INTERNATIONAL COFFEE DISCUSSIONS.
SANCHEZ

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COFFEE, GOVERNMENT REACTIONS, BOYCOTTS, PRICE STABILITY
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BOGOTA00513
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770017-0555
Format: TEL
From: BOGOTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770147/aaaabovw.tel
Line Count: 112
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e3daf2d8-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 BOGOTA 364
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3585076
Secure: OPEN
Status: NATIVE
Subject: COLOMBIAN VIEWS ON COFFEE SITUATION
TAGS: EPAP, ETRD, EAGR, CO, (GOMEZ JARAMILLA, ARTURO)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/e3daf2d8-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009